



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING
Scottsdale Airport Terminal Lobby
15000 N. Airport Drive, Scottsdale, AZ**

November 14, 2012

MINUTES

PRESENT: Michael Goode, Chairman
William Bergdoll, Vice Chairman (telephonic)
Gunnar Buzzard
Ken Casey
Bob Hobbi
William Schuckert
Steve Ziomek

STAFF: Sarah Ferrera, Aviation Planning & Outreach Coordinator
Shannon Johnson, Management Analyst
Gary P. Mascaro, Aviation Director
Chris Read, Airport Operations Manager

OTHERS: Chad Jaehnig, Sound Lighting FX
Dee Dee Maza, Zulu Caffé
Tommy Walker, Scottsdale Air Center

CALL TO ORDER

Chairman Goode called the meeting to order at 6:00 p.m.

ROLL CALL

A formal roll call confirmed the presence of Commissioners as noted above.

PLEDGE OF ALLEGIANCE

Chairman Goode led the meeting in the pledge of allegiance.

AVIATION DIRECTOR'S REPORT

Aviation Director Mr. Gary Mascaro stated he had nothing to report.

APPROVAL OF MINUTES

1. Approval of Minutes

Regular Meeting: October 10, 2012

1. Commissioner Buzzard made a motion to approve the minutes of the October 10, 2012 regular meeting. Commissioner Casey seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

PUBLIC COMMENT

No members of the public wished to address the Commission.

CONSENT AGENDA ITEMS 1 - 2

2. Discussion and Possible Action regarding Application for Airport Aeronautical Business for Centerline Aircraft, LLC to conduct Aircraft Maintenance & Repair Services
3. Discussion and Possible Action regarding Application for Airport Aeronautical Business for Independent Flight Instructors, LLC to conduct Flight Training and Aircraft Management Services
4. Commissioner Buzzard moved approval of the consent agenda. Seconded by Commissioner Casey, the motion carried by a unanimous vote of seven (7) to zero (0).

REGULAR AGENDA ITEMS 1 - 12

1. Annual Update from Arizona Business Aviation Association (AZBAA)

Commissioner Casey, who is also the President of the AZBAA, addressed the meeting. He described the Association's initiative to fly supplies to areas affected by Hurricane Sandy using spare space on flights already flying to those areas. Three flights and a rented truck were filled with emergency supplies.

The First Annual AZBAA Safety Day took place on November 13 and was a great success. He urged everyone to attend the Association's monthly meetings and holiday party, and asked them to help spread the word about the Association.

In reply to a question from Chairman Goode, Commissioner Casey said the AZBAA just awarded seven scholarships, using funds raised at the annual golf tournament and the safety day. Commissioner Casey acknowledged the involvement of Commissioners Hobbi and Ziomek and noted that Chairman Goode and Mr. Tommy Walker of the Scottsdale Air Center

are both past presidents of AZBAA. The Association has done a great deal to promote business aviation.

Mr. Mascaro interjected that the AZBAA provides huge benefits to all the airports in the Valley. When he was President of the Arizona Airports Association they jointly established the annual Aviation Day at the State Capitol. Four years ago the AZBAA was instrumental in getting back funding for the State Aviation Fund that the Governor's Task Force had cut.

Commissioner Casey said membership is now around 300 and a Tucson chapter has been formed. Over 100 people attended the last regular meeting. Aviation Day is scheduled for January 13, 2013 at the State Capitol. Commissioner Ziomek added that a recent AZBAA visit to Embry-Riddle Aeronautical University in Prescott was very successful.

2. Discussion and Input Regarding recap of the Scottsdale Air Fair

Ms. Dee Dee Maza of Zulu Caffé said the aim was to create a community event and she felt they had succeeded, given the short time to organize it. There were many positives and some lessons learned.

Commissioner Casey thanked her having organized the Air Fair. He especially appreciated all the activities for children.

In response to a query by Commissioner Hobbi, Ms. Maza said about 4,000 people attended. Commissioner Hobbi said aviation is one of the pillars of the country. To see children involved was wonderful. It is incredibly valuable that people came to see that the Airport is a friend of the community. They need to build on that momentum for the future.

Mr. Mascaro said the Aviation Department sincerely appreciates that Zulu Caffé and Sound Lighting FX stepped up to organize this year's Air Fair, taking a financial risk and doing all the planning from April.

Commissioner Buzzard echoed Mr. Mascaro's remarks. He noted that the Air Fair is a kickoff signature event going into the Airport's busy season. He hoped that a sponsor can be secured for the next event.

Commissioner Ziomek thanked Zulu Caffé and Sound Lighting FX for their efforts. He suggested that expanding to an Air Show with aircraft in flight would add excitement and educate the community.

Commissioner Schuckert recalled great memories of taking his daughters to the 1996 Air Fair. Now that the Air Fair is reinstated it is crucial to keep up the momentum.

Commissioner Hobbi asked Mr. Mascaro about the timeline for planning Air Fair 2013. Mr. Mascaro said if Zulu Caffé and Sound Lighting FX choose to organize it, the Airport would work very closely with them.

Ms. Maza stated they would need some financial support, as this year the Air Fair cost them money to put on. They could not accept this risk again without an anchor sponsor. They would love to build on the momentum of this year's event but need financial support. She elaborated

that within the next couple of weeks they are prepared to set a date by which a sponsor must be found in order to proceed.

Commissioner Casey inquired whether the City would be prepared to sponsor. Mr. Mascaro said probably not. Chairman Goode asked why the Air Fair had been successful in the past. Mr. Mascaro replied that the Air Fair was not a financial success. The City was subsidizing the event and prices have risen significantly. They had the benefit of several generous sponsors. Today the key issue is the lack of sponsorship.

Commissioner Schuckert suggested looking at other possible promoters as well as Zulu Caffé. Mr. Mascaro pointed out that they had done this last year and no one was interested until Zulu Caffé came on board. Some event organizers are no longer in business. Promoters are not interested in assuming any financial risk whatsoever.

Commissioner Hobbi asked everyone what is the purpose of the Air Fair. Chairman Goode listed community involvement, Airport visibility, and encouraging children and families to be involved in aviation. Commissioner Hobbi said in that case it behooves the Commission to consider how best to improve the quality of the event. He did not agree with waiting to see if anyone is interested in promoting the Air Fair. He proposed researching how to accomplish these goals. Chairman Goode said they need to make a decision before the end of the year, setting a drop dead date.

Commissioner Ziomek asked whether they could partner with the Chamber of Commerce, Economic Development or some other department in the City. He stressed that they need to be clear who is responsible for the Air Fair, the Commission, the Airport, or a separate committee.

Mr. Mascaro reminded the meeting that last year staff had spent significant time looking for a sponsor for this year's event, beginning immediately following last year's Air Fair. They were not able to secure a sponsor. The original promoter was not able to put on the event without a sponsor. This is a wonderful event but requires financial support, which he believes Zulu Caffé and Sound Lighting FX could research.

Commissioner Hobbi said the point of the Air Fair was to promote the Airport. If it is not feasible, what would be accessible alternate plans? If they cannot afford to do it well, then they should not do it. Chairman Goode said if it is ultimately determined not to go forward with the Air Fair for 2013, then they would need to think of another plan. He undertook to meet with Mr. Mascaro and Ms. Maza to explore options.

Commissioner Schuckert asked what level of sponsorship would be needed. Ms. Maza said they need sponsors for approximately \$50,000. Mr. Chad Jaehnig of Sound Lighting FX told the Commission that he personally put up \$50,000 of his own money, which he lost. The total cost of the event was about \$150,000. The organizers made relentless efforts to find sponsors without success. Since this kicks off the seasonal events which the City is already supporting, some City money is needed to make the Air Fair happen. Overall the Air Fair was successful in showcasing the Airport and the City.

Commissioner Casey thanked Mr. Jaehnig, saying that he feels bad that he lost money on the event. No one wants to see that happen. There is positive PR from the Air Fair, but it is hard to quantify the benefits.

3. Discussion and Possible Action to Recommend Adoption of Resolution No. 9239 approving and authorizing amendment to Contract No. 2001-133-COS-A3 for Scottsdale Air Center Real Estate

Management Analyst Ms. Shannon Johnson explained that staff is seeking this amendment to ensure that the Airport and the Scottsdale Air Center are in full compliance with the terms of the lease agreement. This fixes a discrepancy between the lease due date and the City's ability to levy late charges. It also allows subleasing to non aviation tenants with prior written approval from the City.

Commissioner Buzzard inquired whether the Air Center has non aviation tenants lined up. Ms. Johnson replied there are already non aviation tenants in place. An audit found some issues which led to the proposed amendment as a housekeeping measure. In response to a follow-up question from Commissioner Buzzard, Ms. Johnson acknowledged that Landmark has non aviation tenants also. However, the lease with Landmark contains a provision permitting this.

Commissioner Buzzard made a motion to approve Resolution No. 9239 approving and authorizing amendment to Contract No. 2001-133-COS-A3 for Scottsdale Air Center Real Estate. Commissioner Casey seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

4. Discussion and Possible Action to Recommend Adoption of Resolution No. 9240 approving and authorizing amendment to Contract No. 2010-166-COS-A1 for Hawthorne Aviation, LLC, dba Landmark Aviation, LLC

Ms. Johnson stated that this amendment is sought to ensure that the parties are in full compliance with the lease terms and fixes a discrepancy between the lease due date and the City's ability to levy late charges.

Commissioner Buzzard made a motion to approve Resolution No. 9240 approving and authorizing amendment to Contract No. 2010-166-COS-A1 for Hawthorne Aviation, LLC, dba Landmark Aviation, LLC. Commissioner Ziomek seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

5. Discussion and Possible Action Regarding the Aviation Five-Year Capital Improvement Program

Ms. Johnson presented the proposed five-year capital improvement program.

Commissioner Buzzard inquired as to the status on the pending acquisition of the land parcel A1301. Mr. Mascaro said they are waiting for a response from the property owner. The property is currently in Bankruptcy Court. Staff has engaged with the lien holders to advise that the City is very interested in purchasing the property. When they are in a position to acquire the land staff will ask the Commission and City Council for permission to use Aviation Fund monies to purchase the property. Funding is available to make the purchase immediately. Once the City has purchased the parcel, an environmental assessment must be done to ensure that it meets FAA standards before the property can be considered Airport land. At that point they

would be eligible for reimbursement for the purchase of the land, as well as funding for any approved projects on it. In reply to a follow-up question from Commissioner Buzzard, he said the lien holders appear to be very interested in pursuing discussion with the City.

Commissioner Buzzard asked what would happen if the results of the environmental assessment are unfavorable. Mr. Mascaro stated that the FAA has already been unofficially involved. If the results are unfavorable, the parcel could be used for some Airpark uses. The FAA is openly supportive of airport expansion whenever this is possible.

Commissioner Ziomek asked whether the FAA requires runway strengthening, since this was done fairly recently. Mr. Mascaro replied that the overlay to the runway was a band-aid approach. The sub grade has been tested and the results prove that reconstruction is necessary. He elaborated that until the environmental process needed for the raising of the weight limit to 100,000 pounds has been approved by the FAA, the FAA will not fund runway reconstruction. A well maintained runway has a lifespan of 20 to 25 years. He could not say how long the runway might be closed for reconstruction.

Commissioner Casey inquired whether the runway reconstruction could be done in phases. Mr. Mascaro said it might be possible and discussed various construction scheduling scenarios.

Commissioner Casey asked whether the plans to enlarge the upstairs conference room would make it large enough to accommodate Commission meetings. Mr. Mascaro said he believes it would. Really large meetings could still be held in the terminal lobby.

Commissioner Buzzard made a motion to approve the Aviation Five-Year Capital Improvement Program for FY 2013/2014 through FY 2017/2018 as published. Commissioner Casey seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

6. Discussion and Input Regarding a recap of the 2012 National Business Aviation Association (NBAA) Convention

Ms. Sarah Ferrera, Aviation Planning & Outreach Coordinator, reported on the convention, which was a wonderful opportunity for Scottsdale and the Airport, as this is the fourth biggest trade show in the country, with high level attendees. She estimated attendance at around 19,000, noting that Hurricane Sandy affected attendance. Their booth was at a high traffic perimeter island and they were able to hang illuminated display materials, which was not possible at many booth locations. The '72 Dodge Challenger was a wonderful conversation starter. The Economic Development Department, Scottsdale Air Center, Landmark Aviation, and Caliber Jet, Go Rentals, the Barrett-Jackson Classic Car Auction, and the Scottsdale Convention and Visitors Bureau partnered with the Airport at the convention, meaning that many questions could be answered on the spot. Ms. Ferrera showed how the other 12 airports which attended the show set up their displays.

She listed many large companies they were able to network with. With these contacts it will be possible to build relationships. The team collected a total of 228 leads. Of these, some can be considered good prospects and there is a smaller group of hot prospects with an immediate interest in Scottsdale. One company has already contacted Economic Development since the convention to discuss relocating its business.

Ms. Ferrera said the CVB has already sent out mailers to about one-third of their contacts with information about the Airport and Scottsdale as a destination. The CVB is working with Airport staff to create a database for future use. She summarized that this was very worthwhile.

Commissioner Casey congratulated staff on this effort, saying that the Airport should attend every year. It was unfortunate that thousands of would-be attendees from the Northeast were unable to travel. The booth location and the muscle car made the Scottsdale booth stand out. He asked whether anyone had asked about Customs services. Ms. Ferrera said no one asked about it, although when appropriate staff mentioned that Customs services are available.

Commissioner Hobbi said they had done a great job. He added that the NBAA has a database of contacts for sale at a reasonable cost.

Chair Goode said he regretted not being able to attend and asked about the budget. Ms. Ferrera said there were a number of first time costs. Total cost was about \$25,000 offset by about \$7,500 in sponsorships. The CVB contributed over \$10,000. Mr. Mascaro reported that at a debriefing with the CVB, they felt this was an excellent convention to attend. He said if they can persuade just one business to locate in Scottsdale, it will all be worthwhile.

7. Discussion and Input Regarding Airport and Airpark Aeronautical Business Permit Additions, Cancellations or Revocations

Ms. Johnson reviewed the report.

8. Discussion and Input Regarding Monthly Operations Reports for October 2012

Airport Operations Manager Mr. Chris Read provided the monthly operations report.

Chairman Goode asked how Customs revenue compares with the previous year. Ms. Johnson said revenue is up by approximately 15 to 20 percent.

Commissioner Casey asked whether it would be possible to do the night closures before the busy season starts. Mr. Read said staff always tries to do this but the timing of the grant made it impossible in this case.

9. Discussion and Input Regarding Monthly Financial Reports for September 2012

Ms. Johnson reviewed the monthly financial reports for September 2012.

Chair Goode noted that the balance in the Aviation Fund continues to increase and asked what will be done with those funds. Mr. Mascaro pointed out that some expenses in the budget have not yet been incurred. The money for the land acquisition they discussed earlier is currently in the Aviation Fund. He agreed that they are doing well budget wise.

10. Discussion and Input Regarding Marketing, Community and Pilot Outreach Programs

Ms. Ferrera said most of the past month was devoted to the NBAA convention and the Air Fair. She described staff initiatives to promote the Air Fair to the surrounding neighborhood and to people who have made noise complaints in the past.

One project within the Airport Influence Area was listed in the Planning and Zoning report.

Staff issued a number of email and listserve notifications about various items.

No stage 2 complaints were received. One voluntary curfew letter will be sent out with reference to an incident in October.

11. Discussion and Input Regarding Status of Aviation Items to City Council

Mr. Mascaro said the two items the Commission just voted on will be on the consent agenda of the December 4 City Council meeting.

12. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar

Commissioner Casey made a motion to cancel the December Commission meeting. Commissioner Ziomek seconded the motion.

Commissioner Buzzard said if there is to be no meeting in December it is important that a strong dialog continues regarding the Scottsdale Air Fair. They need to be mindful that Zulu Caffé will not be able to wait indefinitely. This is his only reason for hesitating to cancel the meeting. Chairman Goode said he totally agreed and intends to keep up a discussion with Mr. Mascaro.

The motion carried by a vote of six (6) to one (1). Commissioner Buzzard dissented.

FUTURE AGENDA ITEMS

Chairman Goode suggested agendizing a discussion in January on the possibility of having Customs service available every day. This issue is very important to the Airport and the FBOs.

Chairman Goode made a motion to add a discussion about Customs service seven days a week at Scottsdale Airport. Seconded by Commissioner Casey, the motion carried by a unanimous vote of seven (7) to zero (0).

Vice Chairman Bergdoll asked whether the Air Fair will be on the agenda for January and Chairman Goode said that it would.

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:38 p.m.

Respectfully submitted,

A/V Tronics, Inc. DBA AVTranz